

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**COLOMBIA**

**PROGRAM TO STRENGTHEN THE OFFICE OF THE ATTORNEY-  
GENERAL OF THE NATION**

**(CO-0258)**

**LOAN PROPOSAL**

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## **BASIC SOCIOECONOMIC DATA**

For basic socioeconomic data for Colombia, including information on the public debt, are available on the Internet at the following address:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

## **ABBREVIATIONS**

AGR	Auditoría General de la República [Office of the Auditor General]
AOP	annual operating plan
CAP	Centro de Atención al Ciudadano [Citizen Service Center]
CGR	Contraloría General de la República [Office of the Comptroller General]
CU	coordinating unit
FGN	Fiscalía General de la Nación [Office of the Public Prosecutor]
PGN	Procuraduría General de la Nación [Office of the Attorney-General of the Nation]
USAID	United States Agency for International Development



## COLOMBIA

### IDB LOANS

APPROVED AS OF FEBRUARY 28, 2003

	US\$Thousand	Percent
<b>TOTAL APPROVED</b>	<b>8,896,011</b>	
DISBURSED	8,391,258	94.3%
UNDISBURSED BALANCE	504,753	5.7%
CANCELLATIONS	938,961	10.6%
PRINCIPAL COLLECTED	4,318,357	48.5%
<b>APPROVED BY FUND</b>		
ORDINARY CAPITAL	8,080,374	90.8%
FUND FOR SPECIAL OPERATIONS	754,656	8.5%
OTHER FUNDS	60,981	0.7%
<b>OUTSTANDING DEBT BALANCE</b>	<b>4,072,901</b>	
ORDINARY CAPITAL	3,874,089	95.1%
FUND FOR SPECIAL OPERATIONS	198,538	4.9%
OTHER FUNDS	274	0.0%
<b>APPROVED BY SECTOR</b>		
AGRICULTURE AND FISHERY	560,766	6.3%
INDUSTRY, TOURISM, SCIENCE TECHNOLOGY	512,907	5.8%
ENERGY	2,731,833	30.7%
TRANSPORTATION AND COMMUNICATIONS	716,015	8.0%
EDUCATION	86,152	1.0%
HEALTH AND SANITATION	750,244	8.4%
ENVIRONMENT	131,510	1.5%
URBAN DEVELOPMENT	405,832	4.6%
SOCIAL INVESTMENT AND MICROENTERPRISE	1,090,735	12.3%
REFORM PUBLIC SECTOR MODERNIZATION	1,875,604	21.1%
EXPORT FINANCING	0	0.0%
PREINVESTMENT AND OTHER	34,414	0.4%

\* Net of cancellations with monetary adjustments and export financing loan collections.



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# COLOMBIA

## STATUS OF LOANS IN EXECUTION AS OF FEBRUARY 28, 2003

(Amounts in US\$ thousands)

APPROVAL PERIOD	NUMBER OF PROJECTS	AMOUNT APPROVED *	AMOUNT DISBURSED	% DISBURSED
<b><u>REGULAR PROGRAM</u></b>				
Before 1997	10	323,554	238,624	73.75%
1997 - 1998	4	149,000	124,822	83.77%
1999 - 2000	4	357,600	109,402	30.59%
2001 - 2002	6	900,700	788,946	87.59%
2003	4	61,861	27,825	44.98%
<b>TOTAL</b>	<b>28</b>	<b>\$1,792,715</b>	<b>\$1,289,620</b>	<b>71.94%</b>



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## Colombia

### Tentative Lending Program

**2003**

<b>Project Number</b>	<b>Project Name</b>	<b>IDB US\$ Millions</b>	<b>Status</b>
<a href="#">CO0268</a>	Social Emergency Program	1,250.0	APPROVED
<a href="#">CO0258</a>	Attorney General's Office Support & Strengthening	14.0	
<a href="#">CO0265</a>	Fiscal Sustainability	400.0	
<a href="#">CO0139</a>	Health Services Networks Modern. Prog.	100.0	
<a href="#">CO0266</a>	Public Service Renewal Program	56.0	
<a href="#">CO0241</a>	Social Housing Program	100.0	
<b>Total - A : 6 Projects</b>		<b>1,920.0</b>	
<a href="#">CO0263</a>	Infrastructure Privatization and Concessions II	21.0	
<a href="#">CO0267</a>	Environmental Sanitation of Bogota - Phase I	50.0	
* <a href="#">CO0259</a>	Electrocaribe/Electrocosta	22.5	
<b>Total - B : 3 Projects</b>		<b>93.5</b>	
<b>TOTAL 2003 : 9 Projects</b>		<b>2,013.5</b>	

**2004**

<b>Project Number</b>	<b>Project Name</b>	<b>IDB US\$ Millions</b>	<b>Status</b>
<a href="#">CO0262</a>	National Environmental System Support Program	35.0	
<a href="#">CO0270</a>		N/A	
<a href="#">CO0250</a>	National Water Plan	60.0	
<b>Total - A : 3 Projects</b>		<b>95.0</b>	
<b>TOTAL - 2004 : 3 Projects</b>		<b>95.0</b>	

**Total Private Sector 2003 - 2004 22.5**  
**Total Regular Program 2003 - 2004 2,086.0**

\* Private Sector Project



# PROGRAM TO STRENGTHEN THE OFFICE OF THE ATTORNEY-GENERAL OF THE NATION

(CO-0258)

## EXECUTIVE SUMMARY

<b>Borrower and guarantor:</b>	Government of Colombia	
<b>Executing agency:</b>	Procuraduría General de la Nación [Office of the Attorney-General of the Nation] (PGN)	
<b>Amount and source:</b>	IDB (OC):	US\$14 million
	Local:	<u>US\$ 6 million</u>
	Total:	US\$20 million
<b>Terms and conditions:</b>	Amortization period:	20 years
	Grace period:	4.5 years
	Disbursement period:	4.5 years
	Interest rate:	variable
	Inspection and supervision:	1%
	Credit fee:	0.75%
<b>Objectives:</b>	Currency:	United States dollars under the Single Currency Facility
	The general objective of the program is to contribute to modernization of the State by supporting and consolidating its oversight system, promoting greater efficiency by deterring unethical conduct, fostering respect for fundamental rights and facilitating citizen control over government conduct.	
	The specific objective and purpose of the program is to modernize the PGN, strengthening its institutional ability to protect human rights and oversee the conduct of civil servants.	
<b>Description:</b>	The program is composed of three components, which will be executed on the basis of action plans that contain a diagnostic analysis of the current situation, objectives, a timetable of activities, performance indicators and the budget for each activity. The components are:	

- a. **Strengthening of the functional missions of the PGN at the central and regional levels (US\$4.26 million)**, including activities targeted to: the preventive function, the disciplinary function, the judicial and administrative intervention function, interagency coordination and decentralization/deconcentration.
- b. **Strengthening of the PGN's management system (US\$10.88 million)**, which includes activities linked to: strategic institutional support systems, a new public management model, human resource development and support for information technology systems.
- c. **Improvement in service for the public, the government community and the PGN's image (US\$3.24 million)**, which includes: support for citizen services and improvement of the PGN's image.

**The Bank's  
country and  
sector strategy:**

The country paper for Colombia (GN-2052-1) approved in July 1999 and updated in May 2002 considers five priority areas for Bank assistance. The proposed program will address the area of modernization of the State, facilitating achievement of the following objectives: (i) reducing the rate of impunity; (ii) promoting a policy of government integrity and ethics; (iii) boosting the efficiency of public spending; and (iv) promoting mechanisms for citizen involvement and oversight.

The proposed program will help achieve these objectives since it will promote institutional change in the PGN at the central and regional levels in its line and administrative units and will bring about a change in the public's perception of the role and responsibilities of civil servants, with a view to encouraging citizen involvement in disciplinary control and in the protection of fundamental human rights.

The proposed operation will supplement programs already approved by the Bank with the Contraloría General de la República [Office of the Comptroller General] (CGR) (1243-OC-CO) and with the Fiscalía General de la Nación [Office of the Public Prosecutor] (FGN) (909/OC-CO). The proposed program will strengthen the government disciplinary control and supervision institution and will contribute to better coordination between it and the CGR and the FGN.

**Coordination with other official development agencies**

The IDB is the multilateral organization that has provided the most direct support for Colombia's watchdog agencies in recent years, through its loans to the FGN, the CGR and the Office of the Auditor General. The World Bank has supported the Office of the Vice-President of Colombia in preparing an opinion poll on corruption in central government institutions. USAID is carrying out a project in the same area to standardize methods for internal auditing in a sample of ministries. Given the linkage between that project and the loan to the CGR, the Bank and USAID have worked together closely to ensure that the two operations complement each other (paragraph 1.50).

**Environmental and social review:**

Since this is an institution-building program and given the nature of the activities to be financed, no adverse environmental impact is expected during its execution. Moreover, the program includes activities to strengthen the function of protecting the collective interests of citizens, which include environmental rights. Specifically, activities have been planned to publicize the environmental rules and procedures applicable to national and regional investments and joint actions with the environmental authorities and civil society for environmental protection and reclamation will be expanded.

The social impact of the program will be positive, since it will reduce the rate of impunity, improve the efficiency of public spending, promote citizen involvement and protect human rights.

**Benefits:**

Strengthening of the PGN will bring three types of benefits for society as a whole. First, the improvement in the capacity to exercise disciplinary control will promote greater efficiency in the administration of public resources and better compliance with the goals and objectives of each of the entities subject to oversight. Specifically, it will provide the executive branch and society with more reliable and timely information that will facilitate decision making, follow-up, and evaluation of the status of discipline and ethics in government institutions.

Second, it will increase the PGN's capacity for more timely control, creating a culture of prevention among government administrators, thereby reducing the number of cases of corruption. Specifically, the greater effectiveness and solidity of prevention and punishment processes will have the effect of inhibiting irresponsible or illegal conduct in government as a whole.

Last, the combination of the program's benefits will strengthen the responsibility, legality, transparency and accountability of government institutions which, taken together, will help to improve governance in the country.

**Risks:**

One risk would be partial failure to achieve the program's objectives owing to the impact of the armed conflict on the PGN's capacity to carry out its activities in all parts of the country. This risk will be mitigated by strengthening the PGN's technology to enable it to carry out some of its functions at a distance, through virtual proceedings and other tools to be provided under the program. Another risk is that the term of the Attorney-General ends in 2004, which may signify a loss of political support for the final stage of the program when the new Attorney-General takes office. To minimize this risk, execution has been structured so that most of the activities will be committed by the end of the second year of execution (2004) and at least 50 percent of disbursements will be made by then.

Since different PGN bureaus (at the central and regional levels) will participate in the program, coordination and cooperation among them will be complex. Accordingly, the program has provided for the establishment of a coordinating unit with staff that will work exclusively on program supervision and facilitation. Also, technical strengthening will be provided for the leaders and officials responsible for each part of the operation.

**Special contractual conditions:**

**Conditions precedent to the first disbursement.** The following conditions precedent apply to the PGN: (i) establishing and appointing the executive committee (paragraph 3.3); (ii) creating the coordinating unit and selecting the program manager and three professionals to staff the unit (paragraph 3.8); (iii) appointing the action plan leaders and officials (paragraph 3.10); (iv) obtaining the Bank's nonobjection to the program execution and administration manual (paragraph 3.11); and (v) obtaining the Bank's nonobjection to the annual operating plans for the first year of execution (paragraph 3.12). The PGN made significant progress in fulfilling each of these conditions during program preparation.

**Poverty-targeting and social sector classification:**

This operation does not qualify as a social equity enhancing project, as described in the key objectives for Bank activity set forth in the Report on the Eighth General Increase in Resources (document AB-1704). Nor does it qualify as a poverty-targeted investment (PTI).

**Exceptions to Bank policy:**

None.

**Procurement:** Under the proposed program, the thresholds for international competitive bidding are US\$350,000 for goods and related services, US\$200,000 for consulting services and US\$5 million for civil works. These thresholds are justified considering that in similar projects in the country foreign bidders were only interested when the amounts were above these figures. Procurement for lesser amounts will be carried out in accordance with local legislation.

## **I. FRAME OF REFERENCE**

### **A. Introduction**

- 1.1 Like other Latin American countries, Colombia has a system to oversee the conduct of its public officials, led by a set of agencies that are functionally and administratively independent. Among the irregular actions that may be committed by civil servants, the most serious are the ones with the greatest consequences for civic life, either owing to their negative impact on the public purse (corruption) or because they constitute violations of the duty to guarantee the effective exercise of fundamental rights. Since conduct of this kind seriously harms the public interest, the law penalizes it in different ways, including disciplinary action, fines or imprisonment, as warranted.
- 1.2 Colombia's constitutional system is based on the principle of specialization, whereby different agencies are responsible for examining and investigating different kinds of conduct, depending on its implications or scope. The Ministerio Público, through the Procuraduría General de la Nación (PGN) [Office of the Attorney-General of the Nation], is responsible for disciplinary control over civil servants;<sup>1</sup> the Contraloría General de la República (CGR) [Office of the Comptroller General] oversees good use of the government's financial resources (fiscal control); and the Fiscalía General de la Nación (FGN) [Office of the Public Prosecutor] conducts investigations and seeks the imposition of criminal sanctions when a criminal action is involved.
- 1.3 Effective work by the entities that supervise the conduct of government is a key for the good operation of the public apparatus and for ensuring the legitimacy of its actions. The presence of institutional weaknesses in those entities can lead to serious situations of impunity that could be an incentive for corruption and lead to violations of fundamental rights, while also causing structural problems for economic development, such as deterioration in the image of the State and governance. Both the CGR and the FGN have been successfully executing modernization projects with Bank support. With the operation proposed in this document (modernization of the PGN), the Bank has the opportunity to help strengthen Colombia's oversight system in its entirety.

### **B. Socioeconomic framework**

- 1.4 The results for the third quarter of 2002 confirm that the economy is beginning to revive, with moderately optimistic prospects for this year. From a first half marked

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<sup>1</sup> The Ministerio Público is composed of the Office of the Attorney-General of the Nation, the Defensor del Pueblo [Public Ombudsman], municipal ombudsmen and the other officials named in the law. Each of these entities is organized autonomously but the constitution clearly stipulates in Article 275 that the Attorney General is the senior member of the Ministerio Público and exercises priority disciplinary power, as will be explained later.

by inactivity while awaiting the change in government, Colombia moved to a slight reactivation of production by the end of 2002. Early definition by President Uribe of a strategy to end the armed conflict and a structural reform plan to control the deficit and reactivate the economy helped to solidify favorable expectations and gain credibility on capital markets. After four months in office, the current administration presents a positive economic balance sheet, particularly: (i) the conclusion of a forthcoming Stand-by Arrangement with the IMF; (ii) continued support from congress in passing the reform package; and (iii) better prospects for financing the deficit thanks to better access to capital markets and a coordinated support strategy agreed to by multilateral agencies.

- 1.5 However, two major challenges lie ahead this year. First, to make public finances sustainable, a significant cutback has to be made in the fiscal deficit of the nonfinancial public sector (from 4.1 percent in 2002 to 2.5 percent in 2003) and a strategy for financing the deficit needs to be devised. Second, in 2003 the government faces the challenge of returning to historical levels of economic growth. Slow growth in the economy over the last seven years is closely linked to the flair-up in the conflict, the loss of competitiveness, the lack of investment and capital accumulation and the low credibility of the regulatory and watchdog agencies. These factors have made it difficult to adapt Colombia's productive system to the demands of a globalized world.
- 1.6 From the institutional standpoint, mistrust in the performance of the public apparatus, failure to obey the law and high levels of corruption are structural problems that continue to have a heavy impact on the economic situation. Specifically, the lack of trust in institutions and in the rules that govern the economy and the unabating perception of corruption have serious consequences for economic activity: (i) they reduce investment owing to the high transaction costs imposed by arbitrary payments or measures; (ii) they limit free competition to the detriment of the most efficient producer; (iii) they generate cost overruns for the productive sector; (iv) they cause fiscal losses; and (v) they create mistrust and misgivings among potential investors.
- 1.7 In the early 1990s, Colombia launched an intensive fight against corruption. A large part of that effort has its roots in the 1991 Constitution, which laid the groundwork for a series of bodies responsible for overseeing the actions of the government apparatus and fortified the government's capacity to sanction corrupt practices in the public sector. The country launched a process—supported by the Bank—of building up those bodies, including the FGN, the Office of the Auditor General, the CGR and, the subject of the operation proposed here, the PGN. This effort has been crucial for improving the performance of government institutions in the areas of transparency and internal control.

- 1.8 One indicator of the progress made in the fight against corruption is the Corruption Perceptions Index prepared by Transparency International.<sup>2</sup> In 1997, Colombia ranked among the countries with the highest perception of corruption; by 2002 its position had improved to 57th out of a sample of 102 countries. When only Latin American countries are considered, Colombia ranked sixth among the countries with the least corruption out of a group of 16 in 2002.
- 1.9 Although it has been moving in the right direction, the country still faces major challenges in combating corruption, particularly with respect to the “difficulties in governance” as they were called in a study recently published by the Colombian government.<sup>3</sup> According to the study, although progress has been made in attacking corruption in terms of reducing bribery in procurement or licensing, there are still weak areas, particularly: (i) the mechanisms and procedures for selecting authorities (closely linked to “buying” positions in public administration); and (ii) the level of respect by the authorities, the public administration and citizens for the laws governing them.
- 1.10 As the same study shows, most public agencies (central and regional) are below average in their performance in areas such as transparency, observance of procedures, ethical behavior, internal controls and institutional independence. The perceptions of almost 8,300 people polled (users, civil servants and entrepreneurs) suggest that the problems in question are present in some 30 highly-relevant public institutions. Even though misconduct of this kind has less impact on the deficit than problems with contracting or budget diversion, its impact on respect for the rule of law, the investment climate and competitiveness is considerable.
- 1.11 In a situation of armed conflict, the treatment of human rights has become an important issue in the set of problems currently facing Colombian society. The problems of violations of those rights and international humanitarian law touches on the issue of the legitimacy of government. The armed conflict that the country has lived through for the last 40 years has been the chief underlying factor in the increase in violations of fundamental human rights (nearly 90 percent of violations are related to the conflict). Statistics published by the Ministry of Defense indicate

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<sup>2</sup> The CPI is based on 17 surveys and polls of entrepreneurs, risk analysts, the general public and country experts. The rankings range from 10 (corruption free) to 0 (most corrupt).

<sup>3</sup> “*Corrupción, desempeño institucionalidad y gobernabilidad: Desarrollando una estrategia anticorrupción para Colombia*”. Report by the Office of the Vice-President of Colombia, Presidential Program to Combat Corruption, World Bank, the Comptroller General, the General Accountant, the Universidad de los Andes, the Universidad del Rosario and the National Consulting Services Center. March 2002.



that violations of international humanitarian law and human rights have increased significantly in the last five years.<sup>4</sup>

- 1.12 Given the situation, the government is aware that there is a long way to go to improve the performance of State institutions as it relates to their capacity to protect human rights against threats as the product of violence. Although the government's strategy for addressing human rights issues includes a series of actions ranging from combating armed groups to assistance for displaced persons and strengthening the administration of justice, one of its main lines of action is to educate all citizens in the understanding and exercise of their fundamental rights. Institutions such as the PGN are responsible for making those rights effective, through their promotion and protection.

### **C. The oversight system and the PGN's legal and institutional framework**

- 1.13 As mentioned earlier, Colombia's constitution provides for a special type of entity to oversee legality and rectitude in the actions of civil servants. The organs of control with constitutional ranking are the Ministerio Público and the CGR. The Ministerio Público (which is headed by the attorney general) is responsible for protecting and promoting human rights, protecting the public interest and overseeing the conduct of public officials. Its sphere of competence extends to all government institutions and entities at the national, departmental and municipal levels and even to private entities that perform public functions.<sup>5</sup>
- 1.14 The PGN enjoys administrative, financial, budgetary and technical autonomy in carrying out its functions, which are totally independent from the executive branch. The PGN moves in a legal context that reflects the principle of the absence of hierarchical relations between the watchdog agencies and the public agencies subject to their oversight.<sup>6</sup> This assurance of the independence of the attorney general is reflected in the system used for his appointment. The senate is responsible for selecting the attorney general from a short list of candidates proposed by the President of Colombia, the Supreme Court and the State Council.

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<sup>4</sup> Victims of massacres from 128 (1995) to 551 (1999); civilian assassinations from 485 (1995) to 1,653 (1999); kidnappings from 535 (1995) to 1,718 (1999); attacks on villages from 23 (1995) to 115 (1999), and terrorism from 234 (1995) to 728 (1999).

<sup>5</sup> For more information on the nature of the functions and powers of the Ministerio Público see the PGN's Internet site at [www.procuraduria.gov.co](http://www.procuraduria.gov.co).

<sup>6</sup> This principle is established in the jurisprudence of the high courts, for example in ruling C-743 of 1998 of the Constitutional Court, which reads: "the watchdog agencies should not depend either functionally or organizationally on the agencies they oversee, because dependence of that kind not only inherently implies an irreconcilable logical contradiction but, above all, because it has a negative influence on the effective exercise of control."

**D. The functions and structure of the PGN**

- 1.15 The PGN is responsible for: (i) supervising the official conduct of persons performing public functions; (ii) overseeing diligent and efficient performance of the functions of the public administration; (iii) intervening directly in jurisdictional processes to protect the legal order, public property and fundamental rights and guarantees; (iv) protecting collective interests (environmental rights, for example); (v) protecting and enforcing human rights; and (vi) overseeing enforcement of the legal order.
- 1.16 This broad sphere of activity translates into the following functional missions:
- a. **The preventive function**, which is carried out through promotional and educational activities to improve the attitudes of public employees in performing their functions and prevent unlawful conduct by them that could injure or threaten individual or social legal rights.
  - b. **The disciplinary function**, which is carried out by applying the new Consolidated Disciplinary Code (Law 734 of 2002) and includes the power to order investigations of public employees and to penalize them when warranted. Although any public agency is able, in principle, to investigate and discipline its employees, the power of the PGN takes precedence in this area, which means that it can act in lieu of the superior of the civil servant under investigation. This means that the attorney general has the power to dismiss (on his own) any civil servant who disobeys the law, makes undue use of his position or acts with negligence in the exercise of his functions. This dominant role of the PGN in the field of discipline means that its investigations and sanctions must be swift, timely and fair, if it is to maintain the confidence of the citizenry in the effectiveness of disciplinary law and discourage civil servants from engaging in misconduct.
  - c. **The function of judicial and administrative intervention**, whereby the PGN can intervene in proceedings before the courts and administrative authorities to protect the legal order, public property or fundamental rights and guarantees. The PGN can intervene in the different areas of the judicial branch—criminal, civil, labor, military, administrative and family matters. The work of the PGN extends to dispute settlement in the field of administrative law (civil, labor and criminal), which has become one of its most significant activities, through the judicial attorneys, who are officials with a legal mandate to hold conciliation hearings.
- 1.17 As for the organizational structure of the PGN, at the central level functional missions are carried out by bureaus, including the bureaus for government procurement, for public ethics, for the economy and public finance and for the protection of human rights. The areas of planning, press, internal control and

information systems are directed by the Office of the Attorney General. The support offices, such as documentation, registration and correspondence are directed by the Office of the Deputy Attorney General. Last, the administrative offices, such as human resources and financial management are headed by a Secretary General. At the regional level, there are two district bureaus (located in the district of Bogota), 32 regional bureaus located in the capitals of each department and 50 provincial bureaus located in the country's main municipalities.

## **E. Problems in the PGN**

- 1.18 The PGN presents problems with regard to its functional missions, administrative management and public relations, which are described below.

### **1. The functional missions of the PGN**

- 1.19 With regard to the **preventive function**, it lacks the capacity to perform this work effectively. Generally speaking, the PGN has not developed the concept and content of this function with sufficient precision. As a result, preventive activities are carried out on an ad hoc basis, without defined parameters or objectives for sectors, entities, processes and activities that should be the subject of preventive intervention. The PGN has no methodology for setting itself goals for prevention that can be measured and whose true impact can be determined.
- 1.20 The PGN's problems with regard to the **disciplinary function** include: (i) a high percentage of proceedings that lapse owing to the statute of limitations; (ii) significant backlogs in the different bureaus; (iii) long, drawn-out disciplinary processes; (iv) issue of decisions after the time limit has expired; (v) lack of records and measurement indicators to evaluate the work done in disciplinary proceedings; (vi) disparate criteria used by the operators of the law, which creates legal insecurity; and (vii) absence of judicial thinking that can be taken as a reference by users and relied on by the public.
- 1.21 Figures from the PGN's information system for 2001 demonstrate, for example, that 5 percent of all cases are barred owing to the statute of limitations, the backlog of cases awaiting processing is 78 percent and the index for case completion is 22 percent of all proceedings. Furthermore, a new Consolidated Disciplinary Code has been issued which will increase demands related to the PGN's disciplinary function. The code introduces major changes in the substance of disciplinary law, for example, with regard to the rights and duties of civil servants and the breaches of discipline they can incur. The new code increases the number of serious breaches to 63 (the old code had just 10) and, in the procedural aspect, it introduces a special regime for the investigation of private parties who exercise public functions (for example, notaries and persons involved in government contracts).

- 1.22 Another problem related to this function is the absence of criteria for determining which cases should be referred to the PGN from the internal disciplinary offices that exist in each of the government's agencies, which contributes to the backlog of cases. By way of example, in 2001, the PGN sent a total of 6,006 minor complaints (4.6 percent of the total number of new complaints it received) back to the internal disciplinary offices, which should not have automatically forwarded them to it. This demonstrates the need to establish criteria for timely responses that can be made by the internal control offices by investigating the minor complaints that are their responsibility.
- 1.23 As for the **judicial intervention function**, the PGN suffers from an imbalance between the workload of its judicial bureaus and the resources available to cover the tasks. The imbalance in the workload should be reduced, adjusting the distribution of tasks and adopting management indicators to evaluate institutional efficiency and performance in this area. This would make it possible to redistribute the resources used for judicial intervention. The impact of the PGN's administrative and court interventions should also be determined. Support is also necessary for the PGN's conciliation activities to reinforce the benefits they have brought in terms of savings in litigation costs and clearing up backlogs of cases.
- 1.24 There are shortcomings in **coordination between the PGN and other government institutions**. It should be recalled that in addition to the PGN, Colombia has other agencies with the power to investigate allegedly illegal conduct by public officials. The CGR is responsible for overseeing the fiscal management of government institutions and civil servants, while the FGN investigates criminal offenses and prosecutes alleged violators of criminal law. Detecting, investigating and punishing cases of high corruption entails an effort by all these entities. However each of these players acts alone at present, with only informal coordination, which means that the impact and effectiveness of carrying out their functions is lessened and there is a loss of legitimacy.
- 1.25 In practice, the lack of coordination among the watchdog agencies leads to duplication of investigations and proceedings, repeated answers to charges and repeated inspections. Expert opinions are produced in each of the entities to the detriment of economies of scale and information is not shared, which makes it impossible to save time, personnel and resources and to obtain better results thanks to closer cooperation. To help address this situation, it is necessary to develop a *methodology* for joint investigation with the other oversight bodies, interagency processing of selected *pilot cases* of high corruption and *communications and information systems* to link them.
- 1.26 The performance of all the PGN's functional missions is also affected by excessive **concentration of functions at the central level**. Concentration is reflected in inadequate distribution of PGN staff. Almost all decisions that affect the functional missions are centralized in Bogota. For example, in 2000, 72.5 percent of

disciplinary complaints were made at the regional level but just 29 percent of human resources were assigned to them. The other 71 percent of employees are located in Bogota which received just 27.5 percent of disciplinary complaints. Contrary to the situation in other public agencies, the PGN is not overstaffed, but it suffers from inefficient distribution of existing personnel.

## **2. The PGN's administrative management**

- 1.27 In this area, the PGN presents serious problems related to shortcomings in planning and internal control processes and instruments, mistaken personnel management policies and marked technological lag in its information systems, which are discussed below.
- 1.28 **Planning and internal control** systems form the entity's strategic institutional support. The planning system is based on policies, objectives, institutional actions and programs to implement the institution's actions. However, in the PGN planning has been performed in a centralized manner by the Planning Office, without taking account of the needs of the entity's different units (central and regional), which are unilaterally informed of their annual tasks. These units, for their part, manage their work plans separately and informally. In a first attempt to introduce a culture of strategic planning during 2001, the PGN's Planning Office involved the different bureaus in the process, obtaining a series of individualized plans that sought to comply with each individual mission but did not take account of the PGN's overall strategic vision. On the basis of that experiment, the need was detected to create methodologies to standardize annual plans of activities for the institution, to serve as a guide for achieving quantifiable annual goals for the management of each bureau.
- 1.29 The PGN requires a coherent planning system that fosters a culture of comprehensive planning that does not exist today. In the first place, the Planning Office needs to develop a methodology for structuring the four-year strategic plan for the PGN, based on a survey of current and projected needs. Second, and based on the plan, each bureau would describe how its activities contribute to the overall strategic plan and, last, a tool should be provided to evaluate the quality of execution, with useful management indicators to measure progress by each bureau.
- 1.30 A better planning strategy would, in turn, lead to better control evaluations. The poor results of the internal control exercise are directly linked to PGN's poor planning exercise, which does not provide the control system with its own mechanisms for verification, evaluation and critical analysis and, as a result, prevents it from making adjustments or corrections to the plans. The internal control system lacks automated procedures which makes advisory services and the evaluation of all the PGN's activities difficult, since the analysis of controls and risks of each of the processes and procedures of the areas and/or bureaus is performed manually, making for slow and costly work.

- 1.31 Another problem in internal control is related to the methodology used to evaluate management (which varies from bureau to bureau), which does not allow specific problems and difficulties to be detected in each of them. Furthermore, these methodologies are developed by officials in each bureau, which means that auditing is not very objective and fails to ensure the necessary coordination with the institution's strategic supports or to attenuate the natural risks of bias in judging their own daily activities. Instead, the PGN needs standards and relative indicators based on historical and current statistical and legal data. A system of this kind would permit the entity to create a statistical model and legal information system that would serve as a reference framework for the design and establishment of juridical standards and relevant management indicators for the institution's line and administrative areas.
- 1.32 The **PGN's administrative procedures** are excessively formal and responsibilities are not precisely assigned, which prevents effective performance of the entity's normal tasks. This problem is present at all levels of the institution and the consequences are an institution that is marked by slowness and inefficiency, the absence of team work and worked based on functions rather than processes. Some symptoms of the situation are the lack of unified judicial thinking in the entity, an excess of formal avenues of communications inside it, mechanized and repetitive work, barriers to work, improvised management, systems and procedures based on regulations and prohibitions, proceduralism, centralized information, excessive numbers of forms which are complicated to process, excessive requirements for authorizations and signatures and imprecise information.
- 1.33 On the subject of administrative procedures, the situation of document processing in the PGN is worth mentioning. A series of shortcomings is present such as the lack of a document management system that would help to reduce paper production and strengthen communications systems, giving prompt access to information for decision making; scant control over the processing and flow of documents owing to the lack of a basic correspondence system for document management; inadequate information supports; documents crammed into archives owing the lack of storage space; failure to select documents that are still current even though their processing has been completed; failure to cull documents that are no longer of use to the entity; insufficient use of the Intranet; personnel not trained to organize archives; storage space without the minimum guarantees of security and confidentiality; and absence of a systematized inventory to facilitate document control and access.
- 1.34 With regard to **human resource policy**, a series of distortions has been caused by successive administrative restructurings, whose main purpose was to improve salaries. Under the restructurings, regular staff were moved into the career path without having to compete. Also, a large number of PGN's personnel is hired on very short-term contracts. They are of little use to the entity because of the turnover. These distortions are the result of a personnel policy marked by an inappropriate system of performance evaluation, promotion based on seniority and not on

qualifications or training, lack of job incentives and the absence of activities to improve technical capacity.

- 1.35 **Information systems** are obsolete when compared to the technical possibilities and the needs of users. First, there is a lack of connectivity among information system users and it is impossible to generate automatic processes that provide value added. Also, the information networks and systems are not integrated with backup and contingency systems and their administration focuses on correcting anomalies rather than on a true prevention and monitoring policy, owing, among other factors, to the lack of trained personnel. The PGN has no policy regarding the security of its network (for example, it has no plans to train risk and security administrators and lacks suitable security hardware, or systems for monitoring the network and controlling access to it). This situation places the existing technological infrastructure at risk, since unforeseen situations could bring down the network and the information systems.
- 1.36 Work posts are obsolete and insufficient. The significant obsolescence of the existing equipment slows down processes and makes it impossible to use modern tools to develop information activities. Further, low coverage (there is one computer for every three employees at the central level and one for every five employees in the regions) makes it difficult to integrate the PGN through information systems and perpetuates the traditional way of working (manual). The few information systems in existence have been developed to meet specific needs and were never designed as part of an information strategy based on unified criteria. In other words, there are pockets of information but there are no integrated systems that add value and facilitate timely decision making.

### **3. Service for the public and the PGN's image**

- 1.37 Although the functions of the PGN are related to oversight of public activities and protection of the collective interest, they are performed without giving sufficient consideration to the citizen involvement that should contribute to the consolidation of democratic coexistence, respect for human rights and efficient and transparent public management. Thus far, the PGN has not developed instruments to facilitate citizen involvement. On the contrary, there are problems with interaction between its employees and the general public on account of the PGN's unreceptive image. Also, the public tends to confuse the PGN with other watchdog agencies, which is partly due to its lack of identity because its functions are little known and are not spelled out in information on results, which focuses mainly on investigations and sanctions. Citizen participation is not simply a problem of image. It is directly related to the service provided for the public, timely responses to their requests and complaints, basic information on fundamental rights and duties and the services offered at service points, which afford the opportunity for interaction with the public based on its confidence in the institution.

- 1.38 The PGN has tended to take a juridical and not a service approach, leaving work with the citizenry to one side, as is apparent in: the absence of reliable or recognized information points; lack of public knowledge about the services provided by the PGN and the minimum requisites for processing their complaints; office space not designed for large-scale service to the public; service staff without technical training or access to technological resources (up-to-date information systems) to enable them to provide adequate service; inappropriate working conditions (long workdays and heavy workloads); and, in general, shortcomings in service for the public in terms of quality, expeditiousness and timeliness.
- 1.39 This initial analysis has prompted the PGN to design a pilot project at the Citizen Service Center (CAP) in Bogota. The project seeks to offer services intended to meet user needs in a timely and comprehensive fashion, based on friendly, courteous, flexible and expeditious assistance that is consistent with its mandate of overseeing compliance with human rights and ethics in government. However, certain circumstances make it difficult to reproduce the experiment quickly, for example: (i) the absence of a general policy for the PGN that defines standards to improve service and increase its effectiveness in all bureaus; (ii) the lack of resources to respond to demand; and (iii) the absence of indicators to monitor the work of the service centers for the purpose of determining their efficiency.

**F. The Bank's strategy and experience**

- 1.40 The country paper (GN-2052-1) approved in July 1999, the operations program of which was updated in May 2002, considers five priority areas for Bank assistance. The proposed program will deal with the area of modernization of the State, specifically facilitating achievement of the following objectives: (i) reducing the rate of impunity; (ii) promoting a policy of government integrity and ethics; (iii) boosting the efficiency of public spending; and (iv) promoting mechanisms for citizen involvement and oversight.
- 1.41 The proposed program will facilitate the achievement of these objectives since it promotes institutional change in the PGN at the central and regional levels in its line and administrative units and will bring about a change in the public's perception of the role and responsibilities of civil servants, with a view to encouraging citizen involvement in disciplinary control and in the protection of fundamental human rights.
- 1.42 The Bank is financing two institutional strengthening programs in Colombia: (i) the program to strengthen the Offices of the Comptroller (CGR) and the Auditor General (1243/OC-CO); and (ii) the program to modernize the administration of justice (909/OC-CO) with the Office of the Public Prosecutor (FGN).
- 1.43 The Bank has considerable experience with entities in charge of the fight against corruption, including technical cooperation for modernization of the system of



government oversight in Peru (ATN/SF-559-PE), the program on modernizing the official auditing office in Uruguay (827/OC-UR), the program on modernizing and strengthening the official auditing office in El Salvador (1204/OC-ES) and the program on modernizing congress and the official auditing office in the Dominican Republic (1258/OC-DR). In addition, the CGR participated in the training offered under the technical-cooperation project to strengthen senior oversight agencies in auditing for fraud and corruption (ATN/SF-6584-RG).

- 1.44 The main lessons learned from the above operations are: (i) Bank support in developing a strategic plan for the beneficiary institution is a key for timely and satisfactory execution; (ii) execution plans that involve units in the entity's formal organization are much more effective than using execution units from outside the entity; (iii) in the process of institutional strengthening, intra-agency and interagency coordination is a key for success; (iv) activities to promote citizen involvement are fundamental for improving the oversight system; and (v) the establishment of information systems in the watchdog agency should be accompanied by parallel training and raising awareness of institutional changes inside the agency.
- 1.45 These lessons have been included in the design of the proposed operation. Program preparation included the design of a strategic plan with input from all levels of the institution; the program plans for a coordinating unit inside each of the entities involved, so that its work will not be perceived as foreign to the normal functions of the rest of the institution and there is a sense of ownership of the program; and intra- and interagency coordination, promotion of mechanisms for citizen involvement and training plans for personnel are prominent among the components.
- 1.46 Last, the proposed operation complements the Bank's programs with the CGR and FGN. The objective of these last two programs is to consolidate mechanisms for fiscal control and criminal investigation. The proposed program will strengthen disciplinary control and government supervision and will help to improve coordination among the CGR, the FGN and the PGN.

#### **G. The country's sector strategy**

- 1.47 The strategy to modernize the State presented in the national development plan "Toward a Community State, 2003-2006" includes a number of actions to punish inappropriate behavior in the public sector and to make more efficient use of government resources: (i) prevention in government procurement; (ii) development of tools for efficient management; (iii) reform of fiscal control; (iv) strengthening of mechanisms for citizen oversight; (v) e-government; and (vi) competition for key positions.
- 1.48 For its part, to launch its process of institutional reform and strengthening, the PGN has designed a strategic plan for 2001-2004 which presents the following corporate

objectives: (i) effective defense and protection of human rights; (ii) promotion of citizen involvement in oversight of public management; (iii) introduction of a system to prevent corruption through effective coordination with other watchdog agencies; and (iv) promotion of the strengthening of systems for internal disciplinary control in the different government institutions.

- 1.49 To implement this plan, the PGN has made major efforts to modernize its functions. It has established a technical team (institutional improvement team) to lead the process and review its internal organization and operating capacity. Another important step to support the strategic plan was holding workshops on institutional strengthening, attended by the PGN's senior managers. This event, which was supported by the Bank, made it possible to: (i) identify the PGN's main institutional limitations that stand in the way of better functioning; (ii) propose possible solutions to the problems identified that could be financed under this program; and (iii) present the strategic plan to PGN staff for review and support.

#### **H. Coordination of the program with the activities of other official development agencies**

- 1.50 The IDB is the multilateral organization that has provided the most direct support for Colombia's watchdog agencies in recent years, through its loans to the FGN, the CGR and the Office of the Auditor General. The World Bank has supported the Office of the Vice-President of Colombia in preparing an opinion poll on corruption in central government institutions. USAID is carrying out a project to standardize methods for internal auditing in a sample of ministries. Given the linkage between that project and the loan to the CGR, the Bank and USAID have worked closely to ensure that the two operations complement each other.

## **II. THE PROGRAM**

### **A. Objectives**

- 2.1 The general objective is to contribute to modernization of the State by supporting and consolidating its oversight system, promoting greater efficiency by deterring unethical conduct, fostering respect for fundamental rights and facilitating citizen control over government conduct.
- 2.2 The specific objective and purpose of the program is to modernize the PGN, strengthening its institutional ability to protect human rights and oversee the conduct of civil servants.

### **B. Description**

- 2.3 The program is divided into three components: (a) strengthening of the functional missions of the PGN at the central and regional levels; (b) strengthening of the PGN's management system; and (c) improvement in service to the public, the government community and the image of the PGN.
- 2.4 Each of these components is backed by action plans and annual operating plans, which are the basic tool for executing this four-year program. Each action plan contains a diagnostic analysis of the current situation, objectives, timetable of activities, performance indicators and budget by activity. The annual operating plans develop the execution of each of the action plans in greater detail. The PGN already has action plans for each component and has made considerable progress in preparing the annual operating plans for the first year of the project.

#### **1. Component 1. Strengthening of the functional missions of the PGN at the central and regional levels (US\$4.26 million)**

- 2.5 This component is intended to strengthen the functional missions of the PGN in the areas of prevention, discipline, judicial intervention and interagency coordination between it and other government oversight and investigation agencies, and will contribute to deconcentration of those functions.

##### **a. Strengthening of the preventive function (US\$560,000)**

- 2.6 The objective of this subcomponent is to introduce three types of instruments to help with decision making to prevent conduct liable to disciplinary action, particularly high corruption and violations of fundamental human rights. The instruments are:

- a. A georeferenced information system on risks in public administration and a system of alarms that includes risk levels, participating factors, sources of information, system administration, operating protocols and responsibilities.
  - b. A methodology to identify future situations or external factors that influence the conduct of the government institutions where the most serious and frequent breaches of discipline are committed.
  - c. A mechanism for self-monitoring in the most vulnerable public sector entities which permits them to identify and prevent high risk situations in their respective sectors.
- 2.7 The PGN will carry out the following activities to prepare the tools under consideration:
- a. *Conceptualization.* The framework within which the PGN will exercise its preventive function will be determined.
  - b. *Compilation and analysis of statistical and qualitative information.* An analysis will be performed of the most frequent breaches of discipline and institutions with the largest number of complaints or sanctions, to determine the causes and institutional responses.
  - c. *Design of criteria for identifying the greatest risks.* Based on the above information, identification criteria and profiles of the sectors and areas most prone to high corruption or human rights violations will be prepared, determining where the main preventive actions should be targeted.
  - d. *Intervention protocols.* Intervention protocols will be established to guide the PGN's actions for the purpose of avoiding any new violations of ethics in the public administration.
  - e. *Mechanisms for the involvement of civil society.* Mechanisms for communications and coordination in the areas of prevention of human rights violations and corruption will be prepared, which specifically involve civil society agents. In conjunction with the environmental authorities and civil society representatives, as part of these activities, the PGN will continue to open up avenues for environmental protection and reclamation (such as the interagency committee for control and oversight of environmental management for the city of Bogota, which is already functioning).
  - f. *Rules and procedures.* The rules and procedures necessary to provide institutional backing for the above-mentioned tools will be developed and implemented.

- g. *Measurement.* Parameters for measuring the results and impact of the tools under consideration will be designed and implemented.
  - h. *Training.* An on-going training system will be developed and implemented for the personnel responsible for operating the instruments and making decisions. The training will include workshops and specific activities whenever a tool is introduced and a plan for ongoing updating and training. A preventive education program will also be launched, through widespread publication of examples of conduct that was penalized with effective results. In addition, training activities on environmental issues will be carried out.
  - i. *Legal information system.* A legal information system will be developed to include all the applicable rules and procedures, including agreements and judicial and administrative decisions. It will archive the main decisions and actions by the PGN in the field of prevention. The system will include web technology for easy and secure access to relevant historical documentation.
- 2.8 **Costs.** The following will be financed under this component: local consulting services and research assistants, consulting firms, educational and publicity materials, travel, per diems and logistics (related to the training activities).

**b. Strengthening of the disciplinary function (US\$920,000)**

- 2.9 The disciplinary function is the PGN's main task. Therefore, the large backlog of cases is an indication of its entire gamut of institutional problems (slow proceedings, lack of guidelines for singling out the most serious and urgent cases, lack of unified criteria, poorly-distributed workload, scant computerization of processes, etc.). The backlog also has an impact on the PGN's image and on good cooperation with other oversight agencies. Successful implementation of this subcomponent is therefore a key for determining the impact of the entire program, which is why a reduction in the backlog of cases is one of the main indicators of program performance.
- 2.10 The main objective of this component is to find a permanent solution to problems linked to the backlog of cases, seeking to prioritize them based on their importance and volume, a better distribution of the workload centrally and regionally, and streamlining of processes and procedures. To achieve this objective, the PGN will carry out activities to clear the existing backlog and prevent it from building up again in future, as follows:
- a. *Revision of the disciplinary function in light of the new Consolidated Disciplinary Code.* As mentioned earlier (see paragraph 1.21), the new code expands and modifies the role of the PGN, making it necessary to revise and adapt the way in which it conducts investigations.

- b. *Decongestion of the existing workload.* Congestion will be relieved through the following tasks: (i) taking an inventory of cases in each of the PGN's bureaus and classifying them based on the stage they are at; (ii) revising workloads and staffing in each bureau; (iii) preparing a stratification map for moving ahead with cases, keeping in mind the risk that the statute of limitations could be applied and the importance and significance of the cases; and (iv) introducing tools to periodically monitor the quality of the decisions issued.
- c. *Development of criteria for case classification.* Criteria will be developed for classifying the most urgent cases with the greatest impact, to make the PGN's work more effective.
- d. *Creation of jurisprudence (case reporting).* An office will be established to report on disciplinary processes, to which the government community and the citizenry will have access. This task includes defining the methodology for reporting and identifying the sources of the disciplinary process; compiling, classifying and processing the information obtained and keeping it up to date; disseminating the standardization achieved internally and externally; and offering assistance with consultations.
- e. *Simplification and systemization of procedures and processes.* A comprehensive program of process reengineering focused on the disciplinary function will be implemented. It requires developing a model for disciplinary management and for the different decisions issued in disciplinary cases; developing management tools to permit monitoring; establishing indicators to evaluate results; and designing and introducing an equitable automated system for distributing case files and sounding early warnings regarding the statute of limitations.
- f. *Incorporation of the principle of oral procedures.* To streamline proceedings in disciplinary cases, the use of oral procedures will be promoted in the PGN. This includes the selection of suitable cases to be resolved using this procedure (based on the definitions in the new Consolidated Disciplinary Code), promotion of the mechanism among PGN employees and use of suitable hearing rooms.
- g. *Design of new rules and procedures* for the regional bureaus, ombudsmen and bodies that exercise the disciplinary function. A diagnostic analysis and technical grounds for the new internal rules and procedures will be prepared for approval by the PGN. A redefinition of the disciplinary authority exercised by the different PGN bureaus will be included.
- h. *Automation of information.* This will include a disciplinary information system that permits cases to be assigned in an automatic and transparent manner, incorporating variables based on the workload and staff of each bureau (for the purpose of assigning and dispatching cases) and automated tools to periodically monitor the quality of the decisions issued.

- i. *Training*. Training activities involving disciplinary issues will be carried out.
- 2.11 **Costs**. The following will be financed under this component: individual local consultants and research assistants, consulting firms, training activities and special events, travel and per diems (mainly related to the training activities) and educational and publicity materials.

**c. Strengthening of the judicial and administrative intervention function (US\$750,000)**

- 2.12 The objective of this subcomponent is to improve the quality of interventions by the PGN, principally in judicial processes, establishing standards for judicial and administrative intervention and strengthening conciliation. The main benefit from this component is the existence and verification of uniform institutional judicial thinking that will avoid contradictions in the different interventions and duplication of proceedings, and strengthen the conciliatory work of the PGN, which will lead to significant savings for the State.
- 2.13 The following instruments will be prepared for this purpose:
  - a. Standards for judicial and administrative intervention for the PGN, unifying its operating procedures.
  - b. Institutional tools for the effective exercise of conciliation in disputes involving the public administration.
- 2.14 The activities to be carried out to achieve this objective are:
  - a. *Compilation and analysis of information* on judicial interventions before the ordinary courts and in administrative legal proceedings.
  - b. *Definition of criteria* to: (i) unify intervention activities; (ii) establish doctrine (precedents); (iii) prepare a map of interventions around the country; and (iv) develop tools to monitor the results of interventions.
  - c. In the field of conciliation, a *training plan in the latest rules and procedures* and in negotiating techniques will be offered to officials in charge of conciliation. Methods to evaluate and measure the results of this activity will also be developed.
  - d. *Creation of an information system* on judicial and administrative interventions that have been carried out. The system will be an effective mechanism for following up on interventions and a tool for monitoring their quality.

- 2.15 **Costs.** The following will be financed under this component: individual local consultants and research assistants, consulting firms, training activities and the procurement of educational and publicity materials.

**d. Interagency coordination (US\$260,000)**

- 2.16 As mentioned earlier (paragraph 1.24), the absence of joint work that could prescind with duplication of efforts in the preparation of cases is a problem that undermines the efficiency of the oversight system, particularly in the PGN, the CGR and the FGN. Therefore, this subcomponent proposes to optimize relations between the PGN and the other government institutions to improve the use of public resources, economizing on efforts to investigate cases and unifying criteria. As a result, joint investigations will be conducted in common areas and themes based on the methodology and pilot plan prepared for this purpose, which includes the following activities:
- a. *Methodology.* A methodology will be prepared for joint investigation with the other watchdog agencies, taking account of the legal parameters for the actions of each agency. Criteria will be established for the selection of cases to which the methodology will be applied, including identification of the internal players in each agency who are directly involved in the prevention and investigation of high corruption. External coordination bodies will also be identified. Experience in a very important joint investigation in which different entities took part in the investigative process will be taken into account. High levels of information security must be introduced as a basic requisite for joint investigation. Last, commitments on interagency cooperation will be formalized through agreements to consolidate joint work by the agencies participating in the investigations.
  - b. *Pilot projects.* Using the methodology described, an interagency pilot project to investigate high corruption and one to investigate the violation of human rights will be selected and carried out by the PGN, the CGR and the FGN.
  - c. *Communication and information systems.* An information network will be established to link the entities that perform *joint* investigations. The technological component or information network will initially facilitate the exchange of information in real time and provide secure access to the different databases and information kept by the three main entities in the system (PGN, CGR and FGN).
- 2.17 **Costs.** Financing for this subcomponent will include: local consultants and research assistants, consulting firms, training activities (including educational and publicity materials and travel and per diems).



**e. Decentralization/deconcentration of the PGN (US\$1.77 million)**

- 2.18 The objective of this subcomponent is to address the problems linked to the high concentration of resources and decision making in the functional missions of the PGN. To that end, the program includes the following activities:
- a. Preparation of a *new deconcentrated management model* with its own internal rules and procedures, to back the new distribution of resources and powers between the regional bureaus and headquarters.
  - b. Creation of *administrative support centers* and auxiliary interdisciplinary teams to support the regional bureaus in their new responsibilities and workloads.
  - c. Development of an ongoing *training plan* for PGN regional employees, including general training and training in information systems maintenance for computer technicians.
  - d. *Adaptation of infrastructure* to facilitate the process of decentralization in five regional bureaus.
- 2.19 **Costs.** The costs include: local consultants and research assistants, consulting firms, training activities, educational and publicity materials, travel and per diems and adaptation of infrastructure.

**2. Component 2. Strengthening of the PGN's management system (US\$10.88 million)**

- 2.20 This component is intended to improve managerial and administrative practices to obtain results in the PGN's overall management. Four main areas that require strengthening have been identified: (a) strategic institutional support; (b) public management model; (c) human resources; and (d) information technology.

**a. Strengthening of strategic institutional support (US\$950,000)**

- 2.21 The purpose of this subcomponent is to improve the interface between PGN management and its strategic plan, improve internal follow-up and control of line and administrative management and provide the entity with efficient tools for the allocation of resources, facilitating executive decision-making. The following activities will be carried out:
- a. **With respect to the planning system:** (i) design guidelines for the preparation and implementation of the PGN's four-year strategic plans; (ii) establish a standardized model for the preparation of the annual work plans, based on the four-year strategic plan; (iii) design an information tool for follow-up and evaluation of the plans; and (iv) develop a training program to create a culture of planning among PGN officials and educate them in the use of the work plans.

- b. **With respect to the internal control system:** (i) design a methodology for evaluating internal control by the PGN, based on the guidelines established by the government's advisory council on internal control; (ii) train personnel in the new methodology and prepare a training program to keep staff up to date in internal control; (iii) prepare tools for monitoring the administrative and financial management systems; (iv) prepare and implement an internal auditing system for the PGN, supported by up-to-date software on the rules for public sector control; and (v) develop a statistical model.
  - c. **With respect to financial instruments to facilitate decision making:** (i) obtain the information needed to establish a model cost center; (ii) implement the model with the support of publications and special handbooks; and (iii) start up and disseminate the financial model.
- 2.22 **Costs.** The following will be financed under this component: individual local consultants and research assistants, consulting firms, training activities, educational and publicity materials and travel and per diems, mainly related to the training activities.
- b. New public management model (US\$2.05 million)**
- 2.23 The objective of this subcomponent is to respond to the problem of excessive formal requirements in the PGN's administrative processes such as processing files and administrative decision making. The program will finance the following activities in this field:
- a. **Reengineering of administrative processes and procedures**, including: (i) an evaluation and weighting of national workloads performed jointly with the PGN's reengineering group; (ii) preparation of proposals to redesign processes; (iii) training and sensitization activities and the unification of methodologies; and (iv) implementation of national pilot projects on redesign.
  - b. **Design and establishment of a document management system**, including: (i) formulation of new policies for records management; (ii) adaptation of physical space to store existing documents; (iii) preparation of criteria for selecting the documents to be kept and disposal of the rest; (iv) organization of files on functional and administrative management; (v) design of a methodology for establishing an historical archive, microfilming and creating backup copies of essential PGN documents; (vi) an information system to facilitate storage, search and retrieval of documents; and (vii) training for the employees in charge of the new processes.
- 2.24 **Costs** The following will be financed under this component: local consultants and research assistants, consulting firms, training activities, educational and publicity materials, travel and per diems and adaptation of infrastructure.

**c. Human resource strategic management (US\$130,000)**

- 2.25 The objective of this subcomponent is to ensure integrated human resource management through suitable and timely selection of new PGN employees, training for existing staff and performance evaluations.
- 2.26 The following activities will be carried out to this end:
- a. Design and implementation of a performance evaluation system.
- 2.27 **Costs.** The following will be financed under this component: local consultants and research assistants, consulting firms, training activities and teaching and dissemination materials.

**d. Information technology (US\$7.75 million)**

- 2.28 This component will provide cross-cutting support for all the areas mentioned above. The PGN has developed an action plan and proposes to implement an information management strategy that allows for the creation of automated instruments to facilitate the monitoring of plans, policies and functions, rationalize the production and use of information to cover a suitable number of users and subjects and develop a management strategy that will ensure the sustainability of the model over time. This component will provide modular and systematic coverage of all the technological components that facilitate coordinated implementation of the strategy, so that automation of functions and management processes and of service for the public is accompanied by the technology necessary to facilitate information storage, retrieval, searches and backup, facilitating access to knowledge and decision making based on up-to-date information.
- 2.29 With this end in mind, consulting services will be contracted and goods and services will be procured for: (i) implementation of a new electronic infrastructure, that provides connectivity of equipment and information systems (data networks), through the procurement of computers, electric wiring, data networks and Intranet equipment, servers, software licenses and new basic information systems, intended to provide PGN employees with basic computer and connectivity infrastructure nation wide; (ii) establishment of an information network with disciplinary, security and watchdog agencies at the national, departmental and regional levels and with other government institutions; (iii) development of information systems for preventive management, judicial information, disciplinary management, intervention with the administrative authorities and a management information system; (iv) establishment of mechanisms to audit information systems and implementation of an information security model for the PGN; (v) implementation of a video and teleconferencing system for virtual proceedings in the PGN; and (vi) development of a large-scale training program in the use of computer systems, including basic and advanced levels and information analysis.

- 2.30 **Costs.** The following will be financed under this component: consulting contracts, consulting firms, computer equipment, networks, servers, software licenses, training activities, teaching and dissemination materials and electrical wiring. As mentioned, this subcomponent is cross-cutting for all the program's components, which explains the larger amount of financing required.

**3. Component 3. Improvement in service for the public, the government community and the image of the PGN (US\$3.24 million)**

- 2.31 This component will implement a strategy to improve the levels and quality of service for the public, which will also help to improve the PGN's image. The activities described below have been planned.

**a. Service for the public (US\$1.81 million)**

- 2.32 The program will finance:

- a. A measurement at the start of the program of *perceptions of service* provided for the public.
- b. Establishment of a *national system of service for the public* which includes adapting office space at the regional offices.
- c. Preparation of an *education model* with support from a local consultant, directed to all internal and external levels with which the PGN interacts, with its plan of execution, target audiences and timetables.
- d. Development of an *internal training program* on specific techniques and a culture of service.
- e. *Education for citizens* in the exercise of their fundamental rights and duties, including information on environmental legislation (in cooperation with the national environmental authorities), particularly in cases of major sector investments.
- f. Preparation of a *service model* based on a diagnosis of needs for services and products in the different areas of the PGN, which defines procedures for efficient services, makes a proposal on managing waiting lists and takes account of developments in the reengineering project.
- g. Implementation of a *call center* system and hearing rooms associated with better access and timely responses to citizens, supported by a technological component to back all the actions taken in this regard.
- h. Introduction of *mechanisms to control and monitor* the service.

- i. *Evaluation of the impact* of the model, including a measurement of citizen satisfaction with the services provided by the PGN.

**b. Image of the PGN (US\$1.43 million)**

2.33 The following will be financed:

- a. Preparation and implementation of an *extensive publicity campaign* on the most relevant results obtained by the PGN, identifying work fronts, defining an institutional image as the basis of the campaign, defining and designing products suited to the target population, controlling the quality of the products, designing the distribution system and designating the persons in charge, and formulating indicators to monitor the entire process.
- b. Preparation of an *extensive promotional campaign* on the exercise of fundamental rights and duties.
- c. *Impact evaluations* of the information campaigns using the baseline provided by the opinion poll.
- d. *Identifying PGN offices* around the country with the same image and logo.
- e. *Outfitting* the bureau in charge with the elements needed for specialized communication.

2.34 **Costs.** The following will be financed under this component: local consultants, consulting firms, training activities, educational and publicity materials and adaptation of infrastructure.

**C. Cost and financing**

2.35 The program will cost an estimated US\$20 million, with a Bank loan from the Ordinary Capital covering US\$14 million (see Table II-1).

**Table II-1. Budget (in US\$ millions)**

Activity		Bank	Local	Total	%
<b>1.0</b>	<b>Strengthening of the functional missions</b>	<b>3.25</b>	<b>1.01</b>	<b>4.26</b>	<b>21.30</b>
1.1	Strengthening of the preventive function	0.51	0.05	0.56	<b>2.80</b>
1.2	Strengthening of the disciplinary function	0.84	0.08	0.92	<b>4.60</b>
1.3	Strengthening of the judicial intervention function	0.67	0.08	0.75	<b>3.75</b>
1.4	Strengthening of interagency relations	0.25	0.01	0.26	<b>1.30</b>
1.5	Decentralization/deconcentration of the PGN	0.98	0.79	1.77	<b>8.85</b>
<b>2.0</b>	<b>Strengthening of the management system</b>	<b>7.70</b>	<b>3.18</b>	<b>10.88</b>	<b>54.40</b>
2.1	Strengthening of strategic institutional support	0.80	0.15	0.95	<b>4.75</b>
2.2	New public management model	1.45	0.60	2.05	<b>10.25</b>
2.3	Human resource strategic management	0.12	0.01	0.13	<b>0.65</b>
2.4	Information technology	5.33	2.42	7.75	<b>38.75</b>
<b>3.0</b>	<b>Improvement in service for the public, the government community and the image of the PGN</b>	<b>1.93</b>	<b>1.31</b>	<b>3.24</b>	<b>16.20</b>
3.1	Service for the public	1.31	0.50	1.81	<b>9.05</b>
3.2	Image of the PGN	0.62	0.81	1.43	<b>7.15</b>
<b>4.0</b>	<b>Project coordinating unit</b>	<b>0.00</b>	<b>0.19</b>	<b>0.19</b>	<b>0.95</b>
<b>5.0</b>	<b>Other expenses</b>	<b>1.12</b>	<b>0.31</b>	<b>1.43</b>	<b>7.15</b>
	Evaluations and auditing	0.18	0.00	0.18	0.90
	Financial costs	0.14	0.14	0.28	1.40
	Credit fee		0.14		
	Inspection and supervision	0.14			
	Contingencies	0.80	0.17	0.97	4.85
<b>Total</b>		<b>14.0</b>	<b>6.0</b>	<b>20.0</b>	<b>100</b>
		<b>70.0%</b>	<b>30.0%</b>	<b>100%</b>	

## 1. Bank financing

- 2.36 The Bank's financing of US\$14 million will come from the Ordinary Capital. Table II-2 shows the terms and conditions of the loan.

**Table II-2. Terms and conditions of the loan**

Source:	Ordinary Capital
Amount:	US\$14 million
Periods:	
Amortization:	20 years
Grace:	4.5 years
Disbursement:	4.5 years
Interest rate:	Variable
Inspection & supervision:	1%
Credit fee:	0.75% on the undisbursed balance
Currency:	United States dollars from the single currency facility

### III. PROGRAM EXECUTION

#### A. Borrower, guarantor and executing agency

- 3.1 The borrower and guarantor will be the Republic of Colombia. The executing agency will be the PGN.

#### B. General program execution and administration

- 3.2 Execution and administration will be carried out through: (i) an executive committee that will be responsible for general program direction and supervision; (ii) a coordinating unit (CU) that will report directly to the executive committee and be responsible for technical and administrative coordination; and (iii) the PGN organizational units in charge of executing each of the action plans.
- 3.3 The executive committee will be composed of the attorney general, who will chair it, the deputy attorney general and the secretary general of the PGN. The committee's functions will include approving the detailed annual operating plans and all procurements of goods and services and consulting contracts for each component. **Establishment of the executive committee through a PGN regulation will be a condition precedent to the first disbursement.**
- 3.4 The CU will be headed by a program manager and composed of a core group of professionals to offer support in budget and financial follow-up, accounting, procurements and contracts, evaluation and information technology. The CU's functions can be grouped into: (i) functions related to the PGN's organizational units in the areas of coordination, liaison and follow-up on components; (ii) relations with the Bank, including technical, financial, accounting and administrative aspects; and (iii) relations with the executive committee.
- 3.5 The main functions of the CU with respect to the PGN's organizational units are: (i) to perform technical reviews of the annual operating plans (AOPs); (ii) to follow up on and evaluate compliance with the objectives and goals established in the AOPs; (iii) to provide support in complying with the objectives and goals contained in the AOPs; (iv) to provide support in preparing terms of reference and other documentation for procurement and contracting; (v) to provide support in procurement of goods and services and contracting of consulting services; (vi) to provide support in identifying and processing the administrative needs of the organizational units; (vii) to prepare budget documents and progress and performance indicators for the activities included in the action plans; (viii) to follow up on budget performance and physical execution; and (ix) to supervise the supply, use, maintenance and preservation of goods, equipment and materials.
- 3.6 In the case of relations with the Bank, the CU's main functions are: (i) to act as interlocutor between the Bank and the PGN in matters related to the program; (ii) to

- act as liaison between the organizational units executing the action plans and the Bank; (iii) to prepare the documentation and take the necessary steps for loan disbursements; (iv) to provide financial and accounting information as required by the Bank; (v) to present semiannual reports on program execution; and (vi) to prepare and present annually to the Bank the audited consolidated financial statements of the program and semiannual reports on the status of the revolving fund.
- 3.7 In its relations with the executive committee, the CU's manager will act as secretary of the committee. The secretarial functions include organizing meetings and the documentation on the action plans and the status of execution, and presenting information on procurement and contracting.
- 3.8 In addition to the program manager, the CU will have the following professionals, among others, to carry out its functions: (i) a person in charge of contractual, budget and financial monitoring; (ii) an accountant who will verify that all budget operations stemming from program execution are in accordance with the country's and the Bank's accounting standards; (iii) a specialist in procurement and contracting who will draw up and review terms of reference and the necessary documentation; (iv) an evaluator who will monitor compliance with the management indicators established in each action plan; and (v) a specialist in information systems and technology who will supervise and coordinate activities related to the technological aspects of the program and coordinate them with the other subcomponents. **Establishment of the CU under a PGN regulation and selection of the program manager and staff will be a condition precedent to the first disbursement.**
- 3.9 Execution of the action plans for the components will be the responsibility of the organizational units as shown in Table III-1. These units will have an official in charge of each action plan. The main function of the official will be to oversee execution of the actions plans for which they are responsible.
- 3.10 The organizational units that will execute the action plans will have the following main functions: (i) execution of the respective plans; (ii) execution of the decisions of the executive committee relating to their respective action plans; (iii) preparation of the documentation to be presented to the Bank on compliance with program goals; (iv) annual presentation of their detailed AOPs to the executive committee for consideration; and (v) presentation of proposals for contracting consulting services and the respective terms of reference to the CU's program manager. **Appointment of the officials with responsibility for the action plans will be a condition precedent to the first disbursement.**



**Table III-1**

**Organizational units of the PGN responsible for execution of the action plans**

<b>Action plan</b>	<b>Organizational unit responsible</b>
Strengthening of the preventive function	Bureau for the Prevention of Human Rights Violations
Strengthening of the disciplinary function	Administrative Oversight Bureau
Strengthening of the judicial and administrative intervention function	Bureau of the Ministerio Público
Interagency coordination	Office of the Attorney General
Decentralization/deconcentration of the PGN	General Secretariat of the PGN
Strengthening of strategic institutional support	Private Secretariat of the PGN
New public management model	General Secretariat of the PGN
Human resource strategic management	Research Institute of the Ministerio Público
Information technology	PGN Systems Office
Improvement in service for the public, the government community and the image of the PGN	Office of the Deputy Attorney General

- 3.11 This plan for execution and administration of the components will be regulated by a manual of functions that will include the interrelations between the executive committee, the CU, the organizational units responsible for execution and the Bank. **The Bank's nonobjection to the manual will be a condition precedent to the first disbursement.**

**C. Annual operating plans**

- 3.12 The action plans will be executed annually based on the annual operating plans. During the operation, the PGN will present the plans each year, which must obtain the Bank's nonobjection before funds will be committed for them. Also, the PGN may agree with the Bank on the presentation of additional AOPs in order to facilitate program follow-up and execution. **The Bank's nonobjection to the AOPs for the first year will be a condition precedent to the first disbursement.**
- 3.13 The AOPs will contain information on the details and timetable of activities to be carried out during the year, establishing goals and indicators based on the logical framework for the operation (see Annex III-1). They should also include details on budget performance, indicating the sources of financing and consistency with the allocation of funds to the different entities made in the national budget, and contain an annual maintenance plan, indicating the source of financing. When pertinent, they should also include the preliminary versions of the terms of reference for contracting individual consultants and consulting firms and specifications for bidding to be held. The Bank will review the terms of reference and indicate which will require its prior nonobjection. The AOPs, except those for year one, will also present an evaluation of the previous period and justification of any changes in the

goals. Preliminary versions of the AOPs are ready for the first year and were used as the basis for estimating budget needs for 2003.

#### **D. Procurement of goods and services**

- 3.14 The thresholds in this program for international competitive bidding are US\$350,000 for goods and related services, US\$200,000 for consulting services and US\$5 million for civil works. These thresholds are justified considering that in similar projects in the country foreign bidders were only interested when the amounts were above these limits. Procurements for lesser amounts will be made in accordance with local legislation. The tentative procurement plan is presented in Annex III-2 and includes a significant number of contracts and procurements. The PGN has experience in these procedures and has a procurement board that can support the CU in processing these activities.

#### **E. Execution period and disbursement schedule**

- 3.15 The term for committing the loan proceeds will be four years and the disbursement period will be 4.5 years from the effective date of the loan contract. This period is considered sufficient for the technical assistance activities and for contracting and executing the works. The disbursement schedule is shown in Table III-2.

**Table III-2**  
**Program disbursements (in US\$ millions)**

<b>Component</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Total</b>
Loan	2.7	5.0	4.5	1.8	14.0
Local counterpart	0.6	1.5	2.1	1.8	6.0
Total	3.3	6.5	6.6	3.6	20.0
% total	17%	33%	33%	17%	100%

#### **F. Other aspects of execution**

- 3.16 **Revolving fund.** A revolving fund containing 5 percent of the loan proceeds will be established for program disbursements.
- 3.17 **Cost recognition.** The PGN has asked the Bank to recognize up to US\$700,000 in expenses incurred in the 12 months prior to approval of the loan for activities conducted in the context of the program's components as part of the local counterpart. If it can be demonstrated that procedures substantially similar to those of the Bank were followed, it is recommended that the costs be recognized as part of the local counterpart.

- 3.18 **Maintenance of works and equipment.** Once the remodeling works included in the program are completed, they will become part of the PGN's property and it will be responsible for operating and maintaining them in a technically suitable manner. The PGN undertakes to ensure that the works financed (renovation of physical space) are adequately operated and maintained. So that compliance with this obligation can be monitored, it will present annual operating and maintenance reports for three years after completion of the first of the program's works and the actual delivery of equipment.

**G. Monitoring, evaluations and progress reports**

- 3.19 **Indicative targets.** Given the number of action plans included in the project and with a view to maintaining a uniform rate of execution in each of the plans, a series of indicative goals has been established that the PGN must meet to gain access to program financing. Just before the mid-term evaluation, each of the action plans will be reviewed on the basis of the performance indicators presented in Table III-3, which will help to determine progress in execution. In the event of noncompliance with these targets, the Bank may propose corrective measures to be implemented within 12 months. In cases in which such noncompliance continues—and the Bank, the borrower and the executing agency unanimously determine that feasibility of the project as a whole is affected—the Bank may require that the target be met as a condition precedent before the executing agency may acquire new commitments.

**Table III-3**

**Summary of management indicators and baselines for measuring program results**

<b>Program area</b>	<b>Expected results</b>	<b>Baseline</b>	<b>Mid-term goal</b>	<b>Final goal</b>
Strengthening of the disciplinary function	Clearance of the backlog	Backlog of 78% (2002)	Reduction by 15%	Reduction by 30%
Strengthening of judicial intervention	Savings for the government as a result of the PGN's alternative dispute settlement	Savings of US\$27 million (2002)	Increase in savings of 10%	Increase in savings of 30%
Strengthening of planning systems	Annual plans of activities prepared by the bureaus and approved by the planning office	83% of the PGN's bureaus comply	90% compliance	100% compliance
Strengthening of document management	Rate at which documents accumulate	20 million documents to cull, select and file	Rate of accumulation of documents reduced by 15%	Rate reduced by 40%
Service for the public and image of the PGN	Number of citizens served by the PGN country-wide	2,000 a day (2002)	Increase of 25%	Increase of 60%
Interagency coordination	Number of cases investigated jointly with other government agencies.	No cases were investigated jointly in 2002	7 pilot cases	20 pilot cases

3.20 **Mid-term evaluation.** The program will finance a mid-term evaluation from the loan proceeds to be performed independently by a consulting firm acceptable to the Bank. The PGN and the Bank will approve the terms of reference for the evaluation. Both the mid-term and final evaluations will mainly be based on the logical framework and the program performance indicators. According to the execution schedule, the mid-term review will be performed roughly 18 months after the program begins.

3.21 The mid-term evaluation will examine progress in the program and the results achieved. It will stress execution of the actions included in each operating plan; the institutional capacity of the organizational units in charge of the AOPs and their effectiveness in carrying out the planned actions; progress in implementation of the interagency coordination policies; effectiveness of interagency dialogue with the other entities in the national social oversight system; effectiveness of the mechanisms to strengthen the preventive and disciplinary functions; and effectiveness of the social communications and citizen involvement activities promoted by the program.

- 3.22 **Final evaluation.** After a minimum of 90 percent of program resources have been executed, a final evaluation will be conducted, in which the executing agency and the National Planning Department will participate. The purpose of the evaluation will be to examine the results achieved under the program and the extent to which the proposed goals were achieved, stressing the degree of user satisfaction with the services supported by the program, in addition to the areas mentioned for the mid-term evaluation.
- 3.23 **Progress reports.** The CU will present semiannual progress reports to the Bank during the program execution giving details on the activities carried out and the procedures used to apply the loan proceeds.
- 3.24 **Ex post program evaluation.** The PGN was consulted about performing an ex post evaluation but it preferred a final evaluation as described in paragraph 3.22. The information on the baselines, the information obtained during the follow-up meetings and the information contained in the mid-term and final evaluations will include indicators and parameters that inform the Bank and the borrower in detail about program achievements. This information will be available to the Bank in the event it decides to conduct its own ex post evaluation.
- 3.25 **External auditing.** The program's financial statements will be presented by the CU to the Bank during program execution, audited by a firm of public accountants acceptable to the Bank, based on terms of reference agreed upon with it. The audited financial statements will be presented within 120 days after the end of the fiscal year. The cost of the audits is included in the program costs and will be financed from the loan proceeds.

## **IV. FEASIBILITY AND RISKS**

### **A. Institutional feasibility**

- 4.1 The institutional framework is considered feasible for the following reasons. First, the PGN has achieved a significant level of internal coordination during program preparation, specifically: (i) it has a technical team that has been coordinating program preparation, whose members will constitute the CU; (ii) the organizational units responsible for executing the action plans have been involved in preliminary preparation of those plans; (iii) the commitment of the senior authorities of the PGN (attorney general, deputy attorney general, secretary general) to the program extends to their agreement to accept direct responsibility for the execution of specific subcomponents, as shown in Table III-1.
- 4.2 The institutional arrangements for the new public management model handled by the PGN were adopted during program preparation, which will facilitate implementation of this subcomponent. The labor aspect, as mentioned in Chapter I, bears more on the distribution of personnel than on their numbers. Promulgation of the Consolidated Disciplinary Code and the legal powers of the attorney general will mean that the personnel transfers necessary under the decentralization component of the PGN will not pose major obstacles in terms of rules and procedures. Last, the workshops held during project preparation involved an internal process with active participation by PGN managers and employees, which led to a sense of ownership of the program.

### **B. Economic and financial feasibility**

- 4.3 The PGN's budget for 2002 was about US\$55 million (at an average exchange rate of 2,400 Colombian pesos to the United States dollar). Table IV-1 shows the budget implemented and programmed in constant Colombian pesos for the period 1999-2003, which has grown at an average annual of 2.5 percent. The PGN, as a typical "service" entity, has a budget that goes mainly to finance its operating costs (salaries and overhead). Until 2001, almost 96 percent of its budget went to cover operating costs, with just 4 percent earmarked for investment. With the start of the program, the government has increased the PGN's investment budget to US\$3.3 million. Given the country's current fiscal restrictions, the government will hold allocations to the PGN under its National Investment Plan at 2003 levels in the coming years. Revision of those allocations will be subject to changes in the macroeconomic picture.
- 4.4 The increase in investment funding reflects the government's practice in the case of "service" entities (for example the FGN and the CGR) of making larger investments when the entities are executing loans. Although the increase is substantial, experience with other programs (FGN and CGR) indicates that the

entities are capable of carrying the investments out satisfactorily when they have a suitable and properly trained coordinating unit and definite action plans.

**Table IV-1**  
**PGN budget implemented and programmed**  
(in millions of constant 1999 Colombian pesos)

Year	1999	2000	2001	2002	2003*
Operating costs	122,914	123,761	125,990	125,072	125,445
Investments	4,472	4,677	4,650	7,583	14,454
<b>Total</b>	<b>127,386</b>	<b>128,439</b>	<b>130,642</b>	<b>132,655</b>	<b>139,899</b>

\*programmed

- 4.5 Although it is difficult to place a figure on all the savings and incremental costs associated with the program, a partial estimate has been made that takes account of: (i) savings linked to the improvement in information systems and the introduction of networks in overhead items such as stationary and office supplies, telephone service, per diems and travel costs, communications and transport; (ii) the incremental recurrent costs related to new equipment, which include supplies, maintenance and replacements; (iii) the savings linked to the reduction in time spent by professionals thanks to better conciliation in complaints against the State. This last savings is related to strengthening of the judicial and administrative intervention function, through better information tools and training. With these elements, and for the purposes of comparison, annual equivalent values were estimated for the PGN's flows. A summary is presented in Table IV-2.<sup>7</sup> The main conclusion of the analysis is that with the additional savings and costs identified, the PGN would present a positive balance distributed over the four years after execution is completed (2007-2010).

**Table IV-2. Equivalent annual savings and costs 2007-2010**  
(US\$ thousands)

1. Savings from information systems and networks	1,068
2. Savings from better efficiency in conciliation	587
3. Incremental costs related to new equipment	1,291

- 4.6 An additional benefit from the standpoint of central government finances, linked to the preceding point, lies in the additional savings for the government represented by the use of conciliation in cases against it. These savings were an estimated

<sup>7</sup> The period of analysis was 2003-2010, assuming that the project would be completed at the end of 2006 and applying a discount rate of 7 percent. It was assumed that: (i) the savings from information systems and networks would begin to accrue in mid-2004; (ii) the savings from greater efficiency in conciliation would begin partially in 2005 (50 percent of savings in 2006); and (iii) the incremental costs begin in 2004, with replacement in 2007. The calculation of the equivalent incremental values is based on four years, from 2007 to 2010.

US\$27 million in 2002 and are expected to increase by up to 30 percent (US\$8.1 million) a year after completion of the project.<sup>8</sup>

**C. Environmental and social impact**

- 4.7 Since this basically is an institutional strengthening program and given the nature of the activities to be financed, no negative environmental impact is anticipated during execution. Moreover, the program includes activities to build up the function of protecting the collective interests of citizens, which include environmental rights. Specifically, activities have been planned to publicize the environmental rules and procedures applicable to major national and regional investments (paragraph 2.32e) and joint actions will be stepped up with the environmental authorities and civil society for environmental protection and reclamation (paragraph 2.7e).
- 4.8 The social impact of the program will be positive, since it will reduce the rate of impunity, improve the efficiency of public spending, promote citizen involvement and protect human rights. The program will also have social benefits for different groups such as women, indigenous peoples and ethnic minorities.

**D. Benefits**

- 4.9 The institutional and functional strengthening of the PGN and other entities in the system for disciplinary, judicial and human rights oversight will bring three types of benefits for society as a whole. First, the improvement in the capacity to exercise disciplinary control will promote greater efficiency in the administration of public resources and better compliance with the goals and objectives of each of the entities subject to oversight. Specifically, it will provide the executive branch and society with more reliable and timely information that will facilitate decision making, follow-up and evaluation of discipline and ethics in government institutions.
- 4.10 Second, the institutional and functional reforms will increase the PGN's capacity for more timely control, creating a culture of prevention among public administrators, thereby reducing the number of cases of corruption. Specifically, the greater efficiency and solidity of prevention and punishment processes will have the effect of inhibiting irresponsible or illegal conduct in the public administration as a whole.

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<sup>8</sup> The savings are estimated as the difference in the amount originally claimed by the complainant and the amount finally agreed on through conciliation. These savings benefit the government's finances rather than directly benefiting the PGN, since they are funds that the different public agencies do not need to pay, thanks to better defense of the State's interests. Although the amount involved represents a savings from the standpoint of the central government (and a significant one given the fiscal situation), it is only a transfer from the standpoint of the country.



- 4.11 The combination of the program's benefits will strengthen the responsibility, legality, transparency, accountability and evaluation of management making it possible to move toward a change in the culture of public administration by subordinating bureaucratic and ritual observance of procedures to obtaining results. These elements, taken together, will help to improve governance in the country.

**E. Risks**

- 4.12 One risk would be partial failure to achieve the program's objectives owing to the influence of the armed conflict on the PGN's capacity to carry out its activities in all parts of the country. This risk will be mitigated by strengthening the PGN's technology to enable it to carry out some of its functions at a distance, through virtual proceedings and other tools to be provided. Another risk is that the mandate of the attorney general ends in 2004, which may signify a loss of political support for the final stage of the program when the new attorney general takes over. To minimize this risk, execution has been structured so that most of the activities will be committed by the end of the second year of execution (2004) and at least 50 percent of disbursements will be made by then.
- 4.13 Since different PGN bureaus (at the central and regional levels) will participate in the program, coordination and cooperation among them will be complex. Accordingly, the program has provided for the establishment of a coordinating unit with staff that will work exclusively on program supervision and facilitation. Also, technical strengthening activities will be undertaken by the officials responsible for each part of the program.

**LOGICAL FRAMEWORK**  
**SUPPORT TO STRENGTHEN THE OFFICE OF THE ATTORNEY-GENERAL OF THE NATION**  
**(CO-0258)**

OBJECTIVE	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>ULTIMATE GOAL</b> To help strengthen and consolidate the State oversight system, discouraging unethical conduct, promoting respect for fundamental rights and facilitating citizen oversight over the actions of government	<ul style="list-style-type: none"> <li>By the end of the program, the country's corruption perception index improves by 20%. Baseline: 3.6 (Transparency International, measurement in June 2002: perception that the country is highly corrupt).</li> </ul>	<ul style="list-style-type: none"> <li>PGN annual report</li> <li>Opinion polls</li> <li>Measurements by independent organizations</li> </ul>	Future constitutional and legal changes do not hamper program execution
<b>PURPOSE</b> Institutional capacity for better protection of human rights and a culture of accountability are fortified in the program executing agencies.	At the end of 2006 the following will be verified: <ul style="list-style-type: none"> <li>External perception of the work of the PGN improves by 40%. Baseline to be provided by the opinion poll to be financed under component 3.</li> <li>The level of satisfaction of external and internal clients improves by 40%. Baseline to be provided by the opinion poll to be financed under component 3.</li> <li>The productivity of PGN staff (number of cases/officer) increases by 30%. Workload (initial inventory plus incoming files/staff with disciplinary functions): Baseline: 105.</li> </ul>	<ul style="list-style-type: none"> <li>Surveys of external clients, including their perception of transparency</li> <li>Impact evaluation</li> <li>Surveys on the quality of service</li> <li>Complaints and monitoring</li> </ul>	The project begins without delays and follows the planned execution schedule.
<b>COMPONENTS/ACTIVITIES:</b>  <b>1. The capacity of the PGN to carry out the many facets of its mandate is strengthened.</b>	By the end of 2006: <ul style="list-style-type: none"> <li><b>a. Preventive function strengthened</b> <ul style="list-style-type: none"> <li>Georeferenced risk system operating, with the respective protocols and measurements of results</li> </ul> </li> <li><b>b. Disciplinary function strengthened</b> <ul style="list-style-type: none"> <li>Reduction in the backlog by 30%. Baseline: 78%</li> <li>Case law compiled and consistent procedures established in disciplinary action and applied in 100% of decisions</li> </ul> </li> <li><b>c. Judicial intervention function strengthened</b> <ul style="list-style-type: none"> <li>Map of interventions prepared and kept continuously up to date</li> <li>30% increase in savings through the use of conciliation. Baseline US\$27 million</li> <li>Training plan prepared</li> </ul> </li> <li><b>d. Interagency coordination improved</b> <ul style="list-style-type: none"> <li>Number of pilot cases investigated jointly increases from 0 to 20</li> <li>Cooperation agreements signed and in execution</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Mid-term and final program evaluations</li> <li>Consultants' reports</li> <li>On site verification</li> <li>Survey results</li> <li>Studies conducted</li> <li>Auditing results</li> <li>Public opinion polls of PGN service</li> </ul>	<p>The government maintains its commitment to the executing agencies despite the armed conflict.</p> <p>The institutional commitment of all the players involved (watchdog agencies, NGOs, etc.) is maintained.</p> <p>Suitable coordination among the different units of each executing agency is maintained.</p>

OBJECTIVE	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p><b>e. Deconcentrated functional missions</b></p> <ul style="list-style-type: none"> <li>• Training plan prepared and in operation</li> <li>• Administrative support centers established and operating</li> </ul>		
<p><b>2. The PGN's management capacity is strengthened.</b></p>	<p><b>a. Planning and internal control system strengthened</b></p> <ul style="list-style-type: none"> <li>• All the units of the PGN have action plans approved and being implemented by the end of year two of the project. Baseline: 83% of the PGN units</li> <li>• The PGN has a new system for internal control tested and implemented</li> <li>• At least half the staff has been trained in strategic planning and the use of evaluation and control systems. Baseline: 15% of staff</li> </ul> <p><b>b. Administrative processes streamlined</b></p> <ul style="list-style-type: none"> <li>• Document accumulation index reduced by 40% by the end of the program Baseline: 20 million documents to be cleared up</li> </ul> <p><b>c. Personnel management system improved</b></p> <ul style="list-style-type: none"> <li>• The number of units that improve their personnel evaluation systems rises by 50% by the end of the project. Baseline: 10%</li> </ul> <p><b>d. Information technology system improved</b></p> <ul style="list-style-type: none"> <li>• Long-term IT program designed and implemented</li> <li>• Hardware, software and infrastructure improved</li> <li>• Personnel trained in computerized operations in their respective tasks</li> <li>• Number of virtual hearing rooms increases from 0 to 7</li> <li>• 100% of personnel trained in IT. Baseline 15%</li> </ul>		
<p><b>3. Service for the public and the image of the PGN improve.</b></p>	<p><b>a. Service for the public</b></p> <ul style="list-style-type: none"> <li>• Degree of citizen satisfaction with PGN services increases by 50%. Baseline to be determined through the surveys financed under component 3</li> <li>• Number of pilot programs in operation increases from 1 to 5</li> <li>• Call center operating</li> <li>• Number of communities informed by the PGN about their fundamental rights and duties increases from 0 to 10</li> </ul> <p><b>b. Image of the PGN improved</b></p> <ul style="list-style-type: none"> <li>• Image campaign and impact analysis completed</li> </ul>		

**Anexo II. Plan de adquisiciones**  
Licitaciones previstas

Consultorías	Monto	BID %	CL %	Método	Precalificación	Fecha estimada de publicación (Semestre)
Implementación del Proyecto Piloto de casos interinstitucionales ( Publicaciones: Cartillas simple)	50,000	100		CP	Si	I/03
Establecimiento de una red de información con los organismos disciplinarios del orden nacional, departamental y municipal	50,000	100		CP	Si	I/03
Capacitación a nivel nacional en función disciplinaria	72,000	100		LPN	Si	II/03
Implementación de un programa de descongestión y aceleración	150,000	100		LPN	Si	II/03
Implementación de un programa integral de reingeniería	100,000	100		LPN	Si	I/04
Redefinir competencias disciplinarias entre las diferentes dependencias	100,000	100		LPN	Si	II/03
Capacitación en función de intervención judicial	72,000	100		LPN	Si	II/03
Desarrollo conceptual de prevención en un organismo de control	90,000	100		LPN	Si	II/03
Capacitar en control interno a nivel nacional. (Publicaciones: Cartilla especial)	62,000	100		LPN	Si	II/04
Levantamiento de la información necesaria para plantear el modelo del Centro de Costos	50,000	100		CP	Si	II/04
Diseño del modelo de centro de costos	50,000	100		CP	Si	I/05
Desarrollo de un modelo financiero (Publicaciones: Cartilla especial)	70,000	100		LPN	Si	I/05
Puesta en marcha del modelo financiero	50,000	0	100	CP	Si	I/05
Evaluación y ponderación de cargas de trabajo	50,000	100		CP	Si	I/05
Elaboración de propuestas de rediseño de procesos	50,000	100		CP	Si	II/05
Implantación de pilotos nacionales de reingeniería por área	50,000	100		CP	Si	II/05
Organización de archivos de gestión misional y administrativa	140,000	100		LPN	Si	II/05
Conformar y organizar el archivo histórico	50,000	100		CP	Si	II/05
Microfilmación y creación de copias de seguridad para los documentos esenciales (incluye Digitalización 20 millones de páginas - Gestión Documental Histórica)	600,000	100		LPI	Si	II/04
Capacitación de todos los funcionarios de la entidad para la cultura archivística (Publicaciones: Cartilla especial)	66,000	100		LPN	Si	II/04
Sistema de Información gestión Documental	100,000	100		LPN	Si	II/04
Asesoría implementación sistemas de seguridad informática	50,000	100		CP	Si	II/03
Sistemas de seguridad investigaciones especiales	65,000	100		CP	Si	II/03
Desarrollar una encuesta de opinión para medir grado de satisfacción	150,000	100	0	LPN	Si	II/03
Difusión masiva de la campaña	1,000,000	25	75	LPI	Si	I/04
Realizar evaluaciones de impacto a las campañas de difusión (Una evaluación al año para determinar la línea de base y una al finalizar para determinar el impacto total)	200,000	100	0	LPI	Si	II/04
Estudio para la caracterización de la demanda real de los servicios de la PGN	50,000	100	0	CP	Si	II/03
Sistema Información - Portafolio de servicios para 6 CALL CENTERS, desarrollo e implementación.	300,000	100	0	LPI	Si	II/03
Implementación de 120 Salas de Audiencia	300,000	100	0	LPI	Si	II/03
Desarrollar un programa de capacitación técnica específica y de cultura del servicio (dos capacitaciones, tres pilotos, trescientas personas)	200,000	75	25	LPN	Si	II/04
Formación a la ciudadanía sobre el ejercicio de los derechos y deberes fundamentales	50,000	100	0	CP	Si	I/05
Crear el módulo del sistema de información que brinde información sobre las intervenciones judiciales a nivel nacional						
Crear el modulo del sistema de información que brinde información sobre las intervenciones administrativas de la PGN a nivel nacional						
Implementación del módulo del sistema de información disciplinaria	1,105,000.0	100		LPI	Si	II/03
Implementación del módulo del sistema de información preventiva						
Sistema Información - Gerencial - Análisis multidimensional, diseño, desarrollo e implementación (incluye Planeación y Control Interno)						
Sistema de información de Relatoría (Análisis, diseño, desarrollo e implementación)						
Diseño de herramienta informática para el seguimiento, evaluación y consolidación de los POA en la PGN.	100,000	50	50	LPN	Si	II/04
Desarrollar y/o adquirir un software de auditoria adecuado a las necesidades de la PGN	120,000	100		LPN	Si	II/04
Evaluación intermedia	50,000	100	0	CP	Si	II/03
Evaluación final	75,000	100	0	LPN	Si	II/05
Auditoría externa	80,000	100	0	LPN	Si	II/05

Adquisición de bienes	Monto	BID	CL	Método	Precalificación	Fecha estimada de publicación
Actualización 1,373 licencias software de ofimática		65	35			
Adquisición 1,345 estaciones de trabajo adicional (sin software de Ofimática)		75	25			
Adquisición de 1,345 licencias de ofimática adicionales	1,373,000	75	25	LPI	Si	I/03
Adquisición de 93 impresoras laser		60	40			
Adquisición de 274 Impresoras de matriz de puntos o de impacto		60	40			
Sistemas de antivirus (3000 unidades)		40	60			
Actualización plataforma tecnológica de bases de datos (1207 Licencias)	724,000	80	20	LPI	Si	I/04
Licencias Cliente de Conexión a las bases de datos (1207 Licencias)						
Actualización Sistema de Información Administrativo y Financiero. Descentralización 32 Regionales	150,000	100		CP	Si	II/04
Instalación 1087 redes eléctricas corriente regulada a Nivel central (PUNTOS DESDE TABLERO HASTA PUESTO DE TRABAJO)	70,000	100		LPN	Si	I/04
Instalación 23 redes eléctricas corriente regulada a nivel REGIONAL (Redes completas)	129,000	60	40	LPN	Si	II/04
2 Sistemas de Alimentación UPS - Bogotá de 190 KVA						
23 Sistemas de Alimentación UPS - 10 KVA Y 30 MINUTOS						
15 Plantas Eléctricas de 20 KW (Nivel regional)	500,000	100		LPI	Si	I/04
Planta Eléctrica de 40 KVA (Bogotá), adecuación e instalación						
Redes lógicas y centros de cableado (37 a nivel regional)	112,000	60	40	LPN	Si	I/04
Crecimiento centros de cableado (12)	250,000	100		LPI	Si	II/04
Sistema de almacenamiento automático, resguardo y backup - Robot						
Adquisición de 7 nuevos Servidores (2 Windows, 2 Unix, 1 Data Ware house, 2 Contingencia - incluye sistema operativo)	652,000	100		LPI	Si	II/04
13 Servidores para Red LAN (13 ciudades)						
2 Servidores en Cluster Gestión Documental						
Solución de hardware y Software para fortalecer la seguridad y administración de la red (autenticación, detección intrusos, vulnerabilidad, control remoto estaciones, consola de admón, control correo)	170,000	100		LPN	Si	II/04
Obras civiles	Monto	BID	CL	Método	Precalificación	Fecha estimada de publicación
Adecuación de espacios para facilitar la reubicación originada por la descentralización en las cinco (5) regionales	725,000	35	65	CP	Si	I/03
Adecuar espacios para los archivos acumulados de la entidad	880,000	35	65	CP	Si	I/03
Establecimiento del sistema nacional de atención al público, Proyectos piloto con adecuación de espacios en cinco ciudades (Publicaciones: Volantes)	250,000		100	CP	Si	II/03